



CHRISTINA LAKE
CANNABIS CORP

CHRISTINA LAKE CANNABIS CORP.

**Annual General and Special Meeting
to be held on August 25, 2022**

**Notice of Meeting
and
Information Circular**

July 21, 2022

**Lobby Boardroom
1075 West Georgia Street
Vancouver, BC, V6E 3C9**

**CHRISTINA LAKE CANNABIS CORP.
789 WEST PENDER STREET, SUITE 810
VANCOUVER, BRITISH COLUMBIA
V6C 1H2**

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of Christina Lake Cannabis Corp. (the “**Company**”) will be held in the **Lobby Boardroom located at 1075 West Georgia Street, Vancouver, BC V6E 3C9** on **Thursday, August 25, 2022** at **10:00** am (Pacific Daylight Time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal years ended November 30, 2021 and 2020;
2. to set the number of directors at six (6);
3. to elect the directors of the Company to hold office until the next annual meeting of Shareholders;
4. to appoint DMCL LLP, Chartered Professional Accountants, as the Company’s auditor for the current fiscal year ending November 30, 2022 and to authorize the Board of Directors to fix the remuneration to be paid to the auditor;
5. to ratify and approve the amendments made to the terms and conditions of the Class B Preferred Shares approved at the special meeting of the Class B Preferred Shareholders held on March 11, 2022; and
6. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Company’s Board of Directors has fixed July 21, 2022 as the record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to receive such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered Shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company’s transfer agent, Endeavor Trust Corporation, 702 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, no later than 10:00 a.m. on Tuesday, August 23, 2022 or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting.

If you are a non-registered Shareholder and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the

foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, the 21st day of July, 2022.

ON BEHALF OF THE BOARD

(signed) “*Joel Dumaresq*”

Joel Dumaresq
Director

**CHRISTINA LAKE CANNABIS CORP.
789 WEST PENDER STREET, SUITE 810
VANCOUVER, BRITISH COLUMBIA
V6C 1H2**

INFORMATION CIRCULAR

(as at July 21, 2022 except as otherwise indicated)

SOLICITATION OF PROXIES

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the Management of Christina Lake Cannabis Corp. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on Thursday, August 25, 2022 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy (the “**Designated Persons**”) are directors and/or officers of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Endeavor Trust Corporation, (“**Endeavor**”) by 10:00 a.m. (Pacific Daylight Time) on August 23, 2022, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Endeavor, or by transmitting a revocation by telephonic or electronic means, to Endeavor, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company (the “Management”) knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder

and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Company has distributed copies of the Notice of Meeting, Circular and VIF to intermediaries for distribution to NOBOs. Unless you have waived your right to receive the Notice of Meeting, Circular and VIF, intermediaries are required to deliver them to you as a NOBO of the Company and to seek your instructions on how to vote your common shares.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Endeavor Trust Corporation unless specifically stated otherwise.

Financial Statements

The Company's audited financial statements for the fiscal periods ended November 30, 2021 and 2020, and the report of the auditors on those statements will be placed before the Meeting. Receipt at the Meeting of the audited financial statements of the Company will not constitute approval or disapproval of any matters referred to in those statements. No vote will be taken on the audited financial statements. These audited financial statements are available at www.sedar.com.

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, both of the Canadian Securities Administrators, a person or corporation who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate section on the Request form attached to this Circular and send it to the Company at 789 West Pender Street, Suite 810, Vancouver, British Columbia, V6C 1H2, Attention: Corporate Secretary.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of common shares of which **129,892,173** common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote.

Shareholders registered as at July 21, 2022, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares of the Company, other than as set forth below:

Name of Shareholder	Number of Shares Owned	Percentage of Outstanding Shares ⁽¹⁾
CDS & Co. ⁽²⁾	86,205,909	66.367%

(1) Based on 129,892,173 Shares issued and outstanding as of July 21, 2022

(2) CDS & CO is a share depository, the beneficial ownership of which is unknown to the Company.

NUMBER OF DIRECTORS

The articles of the Company provide for a Board of no fewer than three directors and no greater than a number as fixed or changed from time to time by ordinary resolution passed by the Shareholders.

At the Meeting, Shareholders will be asked to pass a resolution to set the number of directors of the Company for the ensuing year at six (6). The number of directors will be approved if the affirmative vote of the majority present or represented by proxy at the Meeting and entitled to vote, are voted in favour to set the number of directors at six (6). **Management recommends the approval of the resolution to set the number of directors of the Company at six (6).**

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾⁽²⁾
Joel Dumaresq ⁽³⁾ Vancouver, BC, Canada Director & Chief Executive Officer	Principal of Vancouver-based private equity firm Pashleth Merchant Capital Corp.	February 1, 2018	1,300,327 ⁽⁵⁾ (1.00%)
Salvatore Milia ⁽⁴⁾ Vancouver, BC, Canada Director	Leader of the Company's research and development committee.	March 26, 2021	438,100 (0.34%)
Nicco Dehaan Grand Forks, BC, Canada Director & Chief Operating Officer	COO and a Master Grower of the Company.	January 9, 2019	2,711,111 (2.09%)
Mervin Boychuk ⁽³⁾⁽⁴⁾ Medicine Hat, AB, Canada Director & Non-Executive Chairman	Mervin Boychuk is actively involved in a family-owned waste treatment business in Calgary and Edmonton.	October 14, 2020	3,420,485 ⁽⁶⁾ (2.63%)
Gil Playford ⁽³⁾⁽⁴⁾ Vero Beach, Florida, USA Director	Gil Playford is a director and the Chief Executive Officer of Bearing Lithium Corp.	December 16, 2020	12,923,267 ⁽⁷⁾ (9.95%)
James McMillan Dunrobin, ON, Canada Director	See "Details of Directors Not Previously Elected by a Shareholder Vote"	March 15, 2022	Nil

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) On the basis of 129,892,173 issued and outstanding common shares as of the date of this Information Circular.
- (3) A member of the Audit Committee.
- (4) A member of the Compensation Committee.
- (5) 330,367 common shares are held through Pashleth Investment Ltd., a private company controlled by Mr. Dumaresq. 609,593 common shares are held through Dumaresq Family Holdings Ltd, a private company controlled by Mr. Dumaresq.
- (6) 2,664,389 common shares are held through Boychuk Holdings Inc., a private company controlled by Mr. Boychuk.
- (7) 9,875,303 common shares are held through Playford Family LP, a limited partnership controlled by Mr. Playford. 3,047,964 common shares are held through Playford Family (Canada) Limited Partnership, a limited partnership controlled by Mr. Playford.

DETAILS OF DIRECTORS NOT PREVIOUSLY ELECTED BY A SHAREHOLDER VOTE

James McMillan

James McMillan has an extensive background in new market development and strategic engagements with Fortune 500 organizations in the consumer-packaged goods (“CPG”), technology, and consumer electronics spaces. Mr. McMillan’s most recent role was as Chief Development Officer with HEXO Corp. (“HEXO”), a leading Canadian Licensed Producer of cannabis, where he played a pivotal role during the 2010s and 2020s in growing HEXO to be the top Licensed Producer in the country by market share. At HEXO, Mr. McMillan identified strategic business development opportunities by way of M&A, joint ventures, and key partnerships. Furthermore, Mr. McMillan was responsible for research and development (“R&D”), innovation, and commercialization. Mr. McMillan continues to participate in the expanding cannabis market as a Principal of UberGreen; a cannabis consulting firm focused on growth strategies, business model innovation, market consolidation, and product development.

As of the date of this Information Circular, the directors and executive officers of the Company, as a group, beneficially own, directly or indirectly, 20,793,290 common shares representing approximately 16.01% of the issued and outstanding common shares.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting then the Designated Persons intend to exercise discretionary authority to vote the Shares represented by proxy for the election of any other persons as directors.

Management recommends the approval of each of the nominees listed above for election as a director of the Company for the ensuing year.

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On October 1, 2019, during which time Joel Dumaresq was CEO, Interim CFO and a director of Orion Nutraceuticals Inc. (“Orion”), the British Columbia Securities Commission (the “BCSC”) issued Orion a management cease trade order (the “MCTO”) to extend the deadline for Orion to file its annual audited financial statements and accompanying MD&A for the year-ended May 31, 2019 (the “Orion Annual Filings”) until November 29, 2019. On November 26, 2019, Orion made an application to the BCSC requesting to further extend the deadline until December 13, 2019, which such application was denied. On December 4, 2019, the BCSC issued a cease trade order (the “CTO”) against Orion for its failure to file the Orion Annual Filings by the prescribed deadline of November 29, 2019. Orion subsequently submitted the Orion Annual Filings on December 4, 2019 and on December 5, 2019, the CTO was revoked.

Individual Bankruptcies

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation, Philosophy and Objectives

The Company does not have a formal compensation program. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other cannabis companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a cannabis cultivation and extraction company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers ("NEOs"), as hereinafter defined, is fair and reasonable. A "Named Executive Officer" ("NEO") includes: (i) the Company's CEO; (ii) the Company's CFO; (iii) each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers as at the end of the most recently completed financial year of November 30, 2021, and whose total compensation was more than \$150,000; and (iv) any additional individuals for whom disclosure would have been required except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year. The Board relies on the experience of its members as officers and directors with other junior companies in assessing compensation levels.

Analysis of Elements

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of options to be a significant component of executive compensation as it allows the Company to reward each NEOs efforts to increase value for shareholders without requiring the Company to use cash from its treasury. options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the option grants, including vesting provisions and exercise prices, are governed by the terms of the stock option plan.

Long Term Compensation and Option-Based Awards

The Company has no long-term incentive plans other than its stock option plan. The Company's directors, officers, employees and certain consultants are entitled to participate in the stock option plan. The stock option plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the stock option plan aligns the interests of the

NEO and the Board with shareholders by linking a component of executive compensation to the longer-term performance of the Common shares.

Options are granted by the Board. In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- (a) parties who are entitled to participate in the stock option plan;
- (b) the exercise price for each option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the CSE from the market price on the date of grant;
- (c) the date on which each option is granted;
- (d) the vesting period, if any, for each option;
- (e) the other material terms and conditions of each option grant; and
- (f) any re-pricing or amendment to an option grant.

The Board makes these determinations subject to and in accordance with the provisions of the stock option plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year.

Summary Compensation

The following information is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, for the Company’s financial years ended November 30, 2021 and 2020.

Named Executive Officer and Director Compensation

During the financial year ended November 30, 2021, the Company had five Named Executive Officers (“NEOs”) being, Joel Dumaresq, the Chief Executive Officer (“CEO”); Rob Jones, the President; Ryan Smith, the Chief Financial Officer (“CFO”); Nicco Dehaan, the Chief Operating Officer (“COO”); and Ray Baterina, the Corporate Secretary of the Company.

“Named Executive Officer” means: (a) a CEO, (b) a CFO, (c) the most highly compensated executive officer of the Company, including any of its subsidiaries, other than the CEO and CFO, including an individual performing functions similar to a CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V for that financial year; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Director and named executive officer compensation, excluding options and compensation securities

The compensation paid or accrued to each director and NEO during the Company’s financial years ended November 30, 2021 and 2020 is as set out below.

Table of compensation excluding compensation securities							
Name and position	Year Ended November 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Joel Dumaresq <i>Director & CEO</i>	2021	144,000 ⁽¹⁾	Nil	Nil	Nil	Nil	144,000
	2020	238,289 ⁽¹⁾	Nil	Nil	Nil	Nil	238,289
Ryan Smith <i>CFO</i>	2021	87,524	Nil	Nil	Nil	Nil	87,524
	2020	45,325	Nil	Nil	Nil	Nil	45,325
Rob Jones ⁽²⁾ <i>President</i>	2021	114,679	Nil	Nil	Nil	Nil	114,679
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Nicco Dehaan <i>Director & COO</i>	2021	109,577	Nil	Nil	Nil	Nil	109,577
	2020	62,083	Nil	Nil	Nil	Nil	62,083
Ray Baterina ⁽³⁾ <i>Corporate Secretary</i>	2021	11,429	Nil	Nil	Nil	Nil	11,429
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Tim O’Donnell ⁽⁴⁾ <i>Former Corporate Secretary</i>	2021	96,192	Nil	Nil	Nil	Nil	96,192
	2020	61,771	Nil	Nil	Nil	Nil	61,771
Mervin Boychuk <i>Director & Non-Executive Chairman</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year Ended November 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Gil Playford <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Salvatore Milia ⁽⁵⁾ <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Arie Prins ⁽⁶⁾ <i>Former Director, President & CEO</i>	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	53,192	Nil	Nil	Nil	Nil	53,192
Jason Taylor ⁽⁷⁾ <i>Former Director</i>	2021	72,981	Nil	Nil	Nil	Nil	72,981
	2020	60,000	Nil	Nil	Nil	Nil	60,000
Peter Nguyen ⁽⁸⁾ <i>Former Director</i>	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Benjamin Asuncion ⁽⁹⁾ <i>Former Director</i>	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	10,000	Nil	Nil	Nil	Nil	10,000

Notes:

- (1) Consulting fees paid to a private company jointly controlled by Joel Dumaresq.
- (2) Rob Jones was appointed as the President of the Company on March 18, 2021.
- (3) Raymund Baterina was appointed as the Corporate Secretary of the Company on June 7, 2021.
- (4) Tim O'Donnell served as the Corporate Secretary of the Company from October 1, 2018 to June 7, 2021.
- (5) Salvatore Milia was appointed as a director on March 26, 2021.
- (6) Arie Prins served as CEO, President and a director from January 9, 2019 to January 27, 2020.
- (7) Jason Taylor served as a director from January 9, 2019 to March 26, 2021.
- (8) Peter Nguyen served as a director from January 9, 2019 to December 16, 2020
- (9) Benjamin Asuncion served as a director from November 6, 2018 to February 14, 2020.

The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors. The directors of the Company

may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. Directors are also eligible to receive incentive stock options to purchase common shares of the Company under the Company’s stock option plan.

External Management Companies

The Company entered into a corporate management agreement dated January 1, 2018, with Pender Street Corporate Consulting Ltd. and subsequently assigned to Partum Advisory Services Corp. on April 1, 2019 (“**Partum**”) and amended on April 1, 2020 and March 1, 2022 (the “**Management Agreement**”) to provide management, accounting and administrative services to the Company in accordance with the terms of the Management Agreement for a monthly fee of \$6,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company. The Management Agreement is for an initial term of 12 months, to be automatically renewed for further 12-month periods, unless either party gives 180 days’ notice of non-renewal, in which case the Management Agreement will terminate. The Management Agreement can be terminated by either party on 90 days’ written notice. It can also be terminated by the Company for cause without prior notice or upon the mutual consent in writing of both parties. If there is a take-over or change of control of the Company resulting in the termination of the Management Agreement, Partum is entitled to receive an amount equal to six (6) months of fees payable as a lump sum payment due on the day after the termination date.

Partum was not indebted to the Company during the Company’s last completed financial year, and the Management Agreement remains in effect.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each director and NEO of the Company during the financial year ended November 30, 2021 for services provide, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Robert Jones	Restricted Stock Units	1,000,000	September 30, 2021	0.37 deemed price per share	\$0.39	0.30	September 30, 2026

As at November 30, 2021, the following directors and officers owned compensation securities:

- (a) Joel Dumaresq, a director and former CEO of the Company, owned an aggregate of 1,000,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share, of which 500,000 are exercisable at a price of \$0.09 per Share until June 1, 2024 and 500,000 are exercisable at a price of \$0.09 per Share until August 20, 2024;
- (b) Ryan Smith, the CFO of the Company, owned 400,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share at a price of \$0.15 per Share until August 20, 2025.

- (c) Nicco Dehaan, director and COO of the Company, owned 1,250,000 compensation securities comprised solely of common shares.
- (d) Mervin Boychuk, the Chairman and a director of the Company, owned 1,500,000 compensation securities, comprised of 500,000 stock options, each of which is exercisable into one Share at a price of \$0.09 per Share until August 20, 2024, and 1,000,000 common shares.
- (e) Gil Playford, a director of the Company, owned 1,000,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share at a price of \$0.09 per share until August 20, 2024.

Exercise of Compensation Securities by Directors and NEOs

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Rob Jones, President	RSUs	250,000	N/A – deemed price of \$0.37 per share	Sept 30, 2021	\$0.39	N/A	N/A
Rob Jones, President ⁽¹⁾	Stock Options	100,000	\$0.15	Jan 7, 2021	\$0.88	\$0.73	\$73,000

(1) Mr. Jones exercised the stock options while he was a consultant of the Issuer and not in his capacity as an officer which he was later appointed to on March 18, 2021.

Termination and Change of Control Benefits

The Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs responsibilities.

Interest of Certain Persons or Companies in Matters to be Acted Upon

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company’s last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the stock option plan.

Employment, Consulting and Management Agreements

Except as noted below, management functions of the Company are, and since the beginning of the recently completed financial year have been, performed by the directors and senior officers of the Company, or private companies controlled by such directors or officers, and are not to any substantial degree performed by any other person or Company.

The Company entered into employment agreements with Messrs. Nicco Dehaan and Timothy O'Donnell. Messrs. Dehaan and O'Donnell are experienced master growers and cannabis processors and oversee the development, and operations of the Facility. Mr. Dehaan is a director of the Company and the COO.

The employment agreements dated October 16, 2018, between the Company and individually, Messrs. Dehaan and O'Donnell, provide for the payment of \$60,000 per annum in salaries, reimbursement of reasonable expenses and one-time signing bonuses of \$50,000 per person (paid). Pursuant to the employment agreements, which contain industry standard terms and conditions, each person is entitled to 6 months' notice for termination without cause, and in the case of a change of control, each person is entitled to one year's salary and any unpaid bonuses and expenses. Salaries are to be reviewed annually by the board of directors. Each of the employment agreements also contains non-disclosure terms and a non-compete clause limiting each individual working in competition with the Company for a period of one year following termination of employment for any reason.

The Company entered into a consulting agreement with Pashleth Investment Ltd. a company controlled by Joel Dumaresq (the "CEO") dated June 1, 2020 to provide certain CEO services to the Company (the "CEO Agreement"). Under the terms of the CEO Agreement, the Company pays compensation of \$12,000 per month with fees payable in a combination of cash or common shares of the Company as agreed upon by the parties. The CEO will be entitled to an annual performance bonus of up to fifty (50%) per cent of the annual fees to be determined at the discretion of the Board and additional equity payments of 750,000 Shares of the Company, upon the signing of the CEO Agreement, with 250,000 of those shares vesting upon signing, and a further 500,000 shares vesting accruing on a pro rata basis at 50,000 shares per month starting July 31, 2020 and ending June 30, 2021. The CEO may terminate the CEO Agreement at any time by proving three months written notice to the Company. The CEO may immediately terminate the CEO Agreement at any time within twelve (12) months of a Change of Control (as defined in the CEO Agreement) by providing written notice to the Company. In such case, the Company shall pay to the CEO on termination an amount equal to three (3) months of fees, expenses and any additional shares not accrued and vested for the full amount of 500,000 shares. The Company may terminate the CEO Agreement for Just Cause (as defined in the CEO Agreement) by giving the CEO written notice of termination. The Company may terminate the CEO Agreement at any time for reasons other than Just Cause. If the Company terminates the CEO Agreement other than Just Cause, the Company shall provide the CEO with three (3) months written notice. As consideration for the right to terminate the Consulting Agreement under, the Company shall, upon providing notice of termination, pay to the CEO a termination fee equal (3) month's salary and any additional shares not accrued and vested for the full amount of 500,000 shares as indicated in above.

The Company entered into a consulting Agreement with Ryan Smith dated August 1, 2020 to provide CFO services to the Company. Under the terms of the agreement, the Company pays compensation of \$6,225 per month with fees payable in cash. The CFO will be entitled to an annual performance bonus of up to fifty (50%) per cent of the annual fees to be determined at the discretion of the Board and additional equity payments of four hundred thousand (400,000) stock options to purchase common shares of the Company issued in accordance and governed by the Company's stock option plan. The stock options are valid for a period of five (5) years with an exercise price of \$0.15 per common share. 50% of the total stock options issued are fully vested upon issuance, and the remaining 50% will vest on April 1, 2021. The CFO may terminate the Agreement at any time by proving three months written notice to the Company. If the Company terminates the Agreement other than Just Cause, the Company shall provide the CFO with three (3) months written notice. As consideration for the right to terminate the Consulting Agreement under, the Company shall, upon providing notice of termination, pay to the CFO a termination fee equal (3) month's salary and any additional stock options not accrued and vested for the full amount of 400,000 stock options.

The Company entered into a consulting agreement with F3 Solution Inc. (a company controlled by Rob Jones) dated March 18, 2021 to provide services to the Company as the President of the Company (the “President Agreement”) until March 18, 2023 (the “Term”). Pursuant to the President Agreement, the Company pays compensation of \$10,000 plus tax per month and the consultant is entitled to be paid a discretionary bonus of cash or otherwise at the discretion of the board of directors. The consultant received 1,000,000 restricted stock units upon signing the agreement, which vest over a period of two years. The President Agreement can be terminated by the consultant with three months written notice to the Company. If the Company terminates the President Agreement for anything other than Just Cause (as defined in the President Agreement), the Company shall provide the consultant with three (3) months written notice. As consideration to terminate early, the Company shall upon providing notice of termination, pay to the consultant a termination fee equal to three month’s salary to the aggregate amount of fees that would have been payable by the Company if not terminated early.

During the most recently completed financial year, the Company paid or accrued a total \$527,599, in management and accounting fees.

Oversight and Description of Director and NEO Compensation

The Compensation Committee of the Board is responsible for ensuring that the Company has appropriate procedures for setting executive compensation and making recommendations to the Board with respect to the compensation paid to each of the executive officers and ensuring that the compensation is fair, reasonable and is consistent with the Company’s compensation philosophy.

The Compensation Committee is also responsible for recommending compensation for the directors and granting stock options (the “Options”) and Restricted Stock Units (“RSU”) to the directors, officers and employees, and consultants of the Company pursuant to the Company’s Stock Option Plan.

The Compensation Committee is currently comprised of Mervin Boychuk (Chair), Gil Playford, and Salvatore Milia each of whom is an independent director.

The Board is satisfied that the composition of the Compensation Committee ensures an objective process for determining compensation.

The Compensation Committee reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs, and the directors. It then submits to the Board recommendations with respect to the basic salary, bonus and participation in share compensation arrangements for each executive officer.

The Compensation Committee ensures that the Company has an executive compensation plan that is fair, motivational and competitive so that it will attract, retain and incentivize executive officers of a quality and nature that will enhance growth and development of the Company. In establishing levels of remuneration, stock option and bonus grants, the Compensation Committee is guided by the following principles:

- Compensation is determined on an individual basis by the need to attract and retain talented, qualified and effective executives;
- Total compensation is set with reference to the market for similar positions in comparable companies and with reference to the location of employment; and
- The current market and economic environment.

Due to the stage of development of the Company, the Company has not established any quantitative or identifiable measures to assess performance and the performance goals are largely subjective, based on qualitative measures such as consistent and focused leadership, ability to manage risks, enhancing the Company's profile and growth profile.

Pension Disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

Intended Changes to Compensation

The Company and the Compensation Committee reviews its compensation practices and may enter into consulting arrangements with executive officers of the Company in the normal course of business.

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

The Board of Directors approved a 20% rolling stock option plan on March 31, 2020 (the "**Option Plan**") and a restricted share unit plan on April 19, 2021 (the "**RSU Plan**") (together, the "**Plans**") to grant restricted share units ("**RSUs**") and incentive stock options ("**Options**") to directors, officers, key employees and consultants of the Company. Pursuant to the RSU Plan and the Option Plan, the Company may reserve up to a maximum of 20% of the issued and outstanding common shares at the time of grant pursuant to awards granted under the Plans.

The Company's directors, officers, employees and certain consultants are entitled to participate in the Plans. The Option Plan and RSU plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Plans align the interests of the NEO and the Board with shareholders by linking a component of executive compensation to the longer term performance of the common shares.

Options and RSUs are granted by the Board. In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- (a) parties who are entitled to participate in the Plans
- (b) the exercise price for each Option or RSU granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the CSE from the market price on the date of grant;
- (c) the date on which each Option or RSU is granted;
- (d) the vesting period, if any, for each option or RSU;
- (e) the other material terms and conditions of each Option or RSU grant; and
- (f) any re-pricing or amendment to an option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Option Plan and RSU Plan. The Board reviews and approves grants of Options and RSUs on an annual basis and periodically during a financial year.

The following is a summary of the material terms of the Plans.

- the total number of common shares (either issued directly or issuable on exercise of Options or RSUs of the Company) provided as compensation to Investor Relations Persons (as such term is defined in the Plan) may not exceed in aggregate 2% of the issued and outstanding common shares of the Company in any 12-month period; and
- approval by shareholders other than directors and senior officers of the Company and shareholders who beneficially own or control, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all common shares of the Company, must all be obtained for any grants of options to a director or executive officer of, or of a related entity to, the Company (each a “Related Person”) if, after the grant:

the total number of common shares (either issued directly or issuable on exercise of options or the number of securities, calculated on a fully diluted basis, reserves for issuance under options granted to:

- i. Related Persons, exceeds 10% of the outstanding securities of the Company; or
- ii. a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Company; or

the number of securities, calculated on a fully diluted basis, issued within 12 months to:

- iii. Related Persons, exceeds 10% of the outstanding securities of the Company; or
- iv. a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Company.

Subject to any required approvals of the CSE or any other applicable stock exchange, the Board may amend, suspend or terminate the Plan or any portion thereof at any time, but an amendment may not be made without shareholder approval if such approval is necessary to comply with any applicable regulatory requirement. Further, subject to any required approvals of the CSE or any other applicable stock exchange, the Board may not do any of the following without obtaining, within 12 months either before or after the Board’s adoption of a resolution authorizing such action, shareholder approval, and, where required, approval by Disinterested Shareholders, or by the written consent of the holders of a majority of the securities of the Company entitled to vote:

1. increase the aggregate number of common shares which may be issued under the Plans;
2. materially modify the requirements as to the eligibility for participation in the Plans that would have the potential of broadening or increasing insider participation;
3. add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the Plans;
4. add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the Plans reserve; and

5. materially increase the benefits accruing to participants under the Plans.

However, the Board may amend the terms of the Plan to comply with the requirements of any applicable regulatory authority without obtaining shareholder approval, including:

- amendments to the Plans of a housekeeping nature;
- change the vesting provisions of an option granted under the stock option plan, if applicable;
- change to the vesting provisions of a security or the Plans;
- change to the termination provisions of a security or the Plans that does not entail an extension beyond the original expiry date;
- make such amendments to the stock option plan as are necessary or desirable to reflect changes to securities laws applicable to the Company;
- make such amendments as may otherwise be permitted by regulatory authorities;
- if the Company becomes listed or quoted on a stock exchange or stock market senior to the CSE, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- amend the stock option plan to reduce the benefits that may be granted to Employees, Management Company Employees or Consultants.

Stock Option Plan

The Option Plan is designed to give each Option holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Company to attract and retain individuals with experience and ability and to reward individuals for current performance and expected future performance. The Board considers Option grants when reviewing executive officer compensation packages as a whole.

The Board has sole discretion to determine the key employees to whom it recommends that grants be made and to determine the terms and conditions of the Options forming part of such grants. The Board approves ranges of Option grants for each level of executive officer. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of the position to the Company.

The number of Options which may be issued under the Option Plan in the aggregate and in respect of any fiscal year is limited under the terms of the Option Plan and cannot be increased without shareholder approval.

Restricted Share Unit Plan

On April 19, 2021, the Board adopted the RSU Plan. The RSU Plan provides for granting of RSUs for the purposes of advancing the interests of the Company through motivation, attraction and retention of employees, officers, consultants and directors by granting equity-based compensation incentives, in addition to the Option Plan.

RSUs granted pursuant to the RSU Plan will be used to compensate participants for their individual performance-based achievements and are intended to supplement stock option awards in this respect, the goal of such grants is to more closely tie awards to individual performance based on established performance criteria.

The Plans has been used to provide Options and RSUs which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of Options or RSUs to be granted to the executive officers, the Compensation Committee with consultation of the Board takes into account the number of Options or RSUs, if any, previously granted to each executive officer, and the exercise price of any outstanding Options to ensure that such grants are in accordance with the policies of the CSE and closely align the interests of the executive officers with the interests of shareholders.

The Compensation Committee with consultation of the Board has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based and share-based awards.

Interest of Informed Persons in Material Transactions

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the board of directors of the Company, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

Except as disclosed herein, since the commencement of the last completed financial year, no "informed person" has had any material interest, direct or indirect, in any transaction or any proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries. "Informed Person" means: (a) a director or executive officer of the Company; (b) a director or officer of a person or company that is itself an informed person or subsidiary of the Company; or (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying more than 20% of the voting rights attached to all outstanding voting securities of the Company.

The directors and officers of the Company have an interest in the resolution concerning the election of directors, the ratification and confirmation of all previous acts of the directors, and the approval of the stock option plan. For more information, please refer to the section entitled "*Particulars of Matters to be Acted Upon*".

AUDIT COMMITTEE

The Company is required to have an audit committee (the “**Audit Committee**”) comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the Audit Committee’s charter is attached as Schedule “A” to this Circular.

Composition of Audit Committee and Independence

The members of the Audit Committee are Joel Dumaresq, Mervin Boychuk and Gil Playford. Messrs. Boychuk and Playford are considered independent as they are not executive officers of the Company. Mr. Dumaresq is the CEO of the Company and, therefore, is not an independent member of the Audit Committee. All members are considered to be financially literate pursuant to section 1.6 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company pursuant to NI 52-110. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

Mr. Dumaresq has an extensive background in finance and investment banking including his current tenure as Managing Director of Pashleth Merchant Capital since 2004 and previously with RBC Dominion Securities for over 15 years. He also has significant experience in the natural resources sector, having served as President of Greenwater Forest Products for over 9 years. Joel obtained a BA degree in Economics and Psychology from the University of British Columbia, is the former BC Chapter Chair of Young President’s Organization, a current board member of the Vancouver Police Foundation, and a recipient of the Star of Courage.

Mr. Playford has had industrial, corporate and private company experience, including large public companies sitting where he has sat on committees and boards of directors of those companies. Mr. Playford holds a Bachelor of Engineering from McGill University, and a Master of Business Administration from York University in Toronto. Mr. Playford contributes valuable insights in the areas of rapidly driving growth for production-centric enterprises.

Mr. Boychuk is a serial entrepreneur who has founded, built and sold four businesses over his 35-year career. In 1973, Mr. Boychuk joined South Rock Ltd. (“South Rock”), a private road construction company, and subsequently became President & CEO in 1980. Under his leadership, South Rock grew from 20 employees to over 350, with annual revenues in excess of CAD \$180 million, before subsequently being acquired by Aecon Group Inc. in 2009. During his tenure at South Rock, Boychuk co-founded RecycleWest, a waste oil collection and supply company, which was later acquired by Newalta in 1995. In 1996, Mr. Boychuk co-founded EnviroWest, which serviced the British Columbia, Alberta and Saskatchewan vacuum truck sludge and waste oil collection markets. EnviroWest was sold to GFL

Environmental in 2010, a large waste management company that employs over 8,850 people. Mr. Boychuk is a significant shareholder in Christina Lake Cannabis and continues to be active in the family-owned waste treatment business in Calgary and Edmonton.

Each member of the Audit Committee has adequate education and experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has the Audit Committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a Company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

All services to be performed by the independent auditor of the Company must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by the Company’s auditor for the financial year ended November 30, 2021 to ensure auditor independence. Fees billed for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Billed by Auditor in respect of the financial year ended November 30, 2021	Fees Billed by Auditor in respect of the financial year ended November 30, 2020
Audit Fees ⁽¹⁾	\$125,000	\$60,000
Audit-Related Fees ⁽²⁾	-	\$16,000
Tax Fees ⁽³⁾	-	\$900
All Other Fees ⁽⁴⁾	\$1,525	\$Nil
Total	\$126,525	\$76,900

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the financial year ended November 30, 2021. This exemption exempts a “venture Company” from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument, as would otherwise be required by NI 52-110.

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, which are in the interest of its shareholders and contribute to effective and efficient decision making.

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however,

the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

Board of Directors

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- (a) the BCBCA;
- (b) the Company's articles of incorporation; and
- (c) other applicable laws and Company policies.

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Board also monitors the Company's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Company's external auditor.

The Board is responsible for choosing the CEO, CFO and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Company's major communications, including annual and quarterly reports, financing documents and press releases. The Board approves the Company's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Company's internal control processes and management information systems. The Board consults with the internal auditor and management of the Company to ensure the integrity of these systems. The internal auditor submits a report to the Audit Committee each year on the quality of the Company's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. Directors who also act as officers of the Company are not considered independent. Directors who do not also act as officers of the Company, do not work in the day-to-day operations of the Company, are not party to any material contracts with the Company, or receive any fees from the Company except as disclosed in this Prospectus.

The Board consists of six (6) directors, of whom four are independent based upon the tests for independence set forth in NI 52-110. Messrs. Boychuk, Milia, Playford and McMillan are independent directors. Messrs. Dumaresq and Dehaan are not independent they are executive officers of the Company. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

Directorships

The following directors are also directors of other reporting issuers stated below:

Joel Dumaresq	Alkaline Fuel Cell Power Corp. Orion Nutraceuticals Inc. TAAT Global Alternatives Inc. ArcWest Exploration Inc. Major Precious Metals Corp. Spotlite360 IOT Solutions, Inc.
---------------	--

Gil Playford	Bearing Lithium Corp.
--------------	-----------------------

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company’s properties, business, technology and industry and on the responsibilities of directors.

The Board briefs all new directors with respect to the Board’s policies and other relevant corporate and business information. New Board members are also provided with access to all of the Company’s publicly filed documents, the Company’s records, and the Company’s management and professional advisors, including the Company’s auditor and legal counsel.

The Board also ensures that each director is up-to-date with current information regarding the Company’s business, the role the director is expected to fulfill, and basic procedures and operations of the Board. Board members are encouraged to communicate with management and the Company’s auditor.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director’s participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably

prudent person would exercise in comparable circumstances, and to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an Affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an Affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Compensation Committee

The text of the Compensation Committee's charter is attached as Schedule "B" to this Circular.

The Compensation Committee will operate under supervision of the Board and will have overall responsibility for reviewing and recommending the compensation of the Company's CEO, other executive officers and key employees, overseeing the Company's compensation and benefits policies, plans and programs and general oversight of the Company's compensation structure. The Compensation Committee will be appointed annually by the Board of Directors and will consist of a minimum of three directors, a majority of whom will be independent.

Meetings of the Compensation Committee shall occur as often as considered necessary or appropriate and shall generally occur without the presence of management. The CEO may not be present for any portion of any meeting at which the compensation of the CEO is being deliberated or voted upon.

The Compensation Committee is currently comprised of Mervin Boychuk (chair), Gil Playford and Salvatore Milia.

Other Board Committees

The Board has no committees other than the Audit Committee and Compensation Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

General Matters

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed elsewhere in this Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of the Company's Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

APPOINTMENT OF AUDITOR

Management intends to nominate DMCL LLP, Chartered Professional Accountants, for re-appointment as auditor of the Company. Forms of proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of DMCL LLP, Chartered Professional Accountants, as the auditor of the Company to hold office for the ensuing year with remuneration to be fixed by the directors.

Management recommends that Shareholders vote for the approval of the re-appointment of DMCL LLP, Chartered Professional Accountants, as the auditor for the Company for the ensuing year at a remuneration to be fixed by the Board.

RATIFY AND APPROVE THE AMENDMENTS MADE TO THE CLASS B PREFERRED SHARES

On March 11, 2022, the Company held a special meeting (the "**Preferred Meeting**") of the holders of Class B Preferred shares (the "**Preferred Holders**") to propose the following amendments be made to the terms and conditions of the Class B Preferred Shares (the "Preferred Share Terms"):

- i) to increase the amount of votes required for the "Required Holders" definition in the Preferred Share Terms;
- ii) to allow for the amendment of Preferred Share Terms by written consent of holders of a 2/3 majority of the Class B Preferred Shares; and
- (iii) to provide a redemption right for the Company to have the ability to redeem the Class B Preferred Shares upon 5 days' notice.

(collectively, the "Class B Preferred Share Amendments"). The Articles, including the Class B Preferred Share Amendments are attached to this information circular as Schedule "C".

Management believed that these amendments would materially increase the ability of the Company to reach the Company's strategic goals and sought approval from the Preferred Holders.

In order for the Class B Preferred Share Amendments to be implemented, pursuant to the Articles of Amendment for the Class B Preferred Shares of the Company and the Business Corporations Act (*British Columbia*), management determined that such amendments to the Articles must be approved by a resolution passed by the affirmative vote of at least 66 2/3% of the votes cast present in person or by proxy in respect of the Class B Preferred Shares at the Preferred Meeting.

At the Preferred Meeting, all motions presented to the Preferred Holders were approved and the Company implemented the Class B Preferred Share Amendments to the Preferred Share Terms.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to ratify and approve an ordinary resolution in the following form to approve the Class B Preferred Share Amendments:

"BE IT RESOLVED THAT:

- (1) the Class B Preferred Share Amendments, approved by the directors of the Company on February 16, 2022 and the Preferred Holders on March 11, 2022, substantially in the form attached as Schedule "C" to the Information Circular of the Company dated July 21, 2022, be and the same are hereby ratified, confirmed and approved;
- (2) any director or officer be and is hereby authorized to amend the Class B Preferred Share Amendments of the Company should such amendments be required by applicable regulatory authorities; and
- (3) any one director or officer of the Company be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution."

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the Class B Preferred Share Amendments. The directors of the Company recommend that shareholders vote in favour of the approval of the Class B Preferred Share Amendments. To be adopted, this resolution is required to be passed by the affirmative vote of a majority 66 2/3% of the votes cast by Shareholders at the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements to November 30, 2021, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at 789 West Pender Street, Suite 810, Vancouver, British Columbia, V6C 1H2.

OTHER MATTERS

Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting included at the beginning of this Circular. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named in the proxy to vote on such matters in accordance with their best judgment.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 21st day of July, 2022.

ON BEHALF OF THE BOARD

(signed) "*Joel Dumaresq*"

Joel Dumaresq
Director

CHRISTINA LAKE CANNABIS CORP.

Schedule “A” Audit Committee Charter

Purpose of the Committee

The purpose of the audit committee (the “**Audit Committee**”) of the directors of the Company (the “**Board**”) is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Audit Committee will also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Audit Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with IFRS, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.

2. Review the appointments of the Company's Chief Financial Officer and Chief Executive Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
 - receipt, retention and treatment of complaints regarding accounting, financial disclosure,
 - internal controls or auditing matters; and
 - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the Business Corporations Act (British Columbia) and the articles of the Company.

CHRISTINA LAKE CANNABIS CORP.

Schedule "B" Compensation Committee Charter

1. PURPOSE

- 1.1 The Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") of **CHRISTINA LAKE CANNABIS CORP.** (the "**Company**"), under the supervision of the Board, shall have the overall
- A. reviewing and recommending the compensation of the Company's Chief Executive Officer ("**CEO**"), other executive officers and key employees (collectively, the "**Management**");
 - B. overseeing the Company's compensation and benefits policies, plans and programs;
 - C. general oversight of the Company's compensation structure; and such other additional specific duties and responsibilities as are set out herein.

The term "compensation" shall include salary, incentive and equity compensation, bonuses, severance arrangements and other compensatory benefits or rights received under the Company's benefit plans.

2. COMMITTEE COMPOSITION

The membership of the Compensation Committee shall be as follows:

- The Compensation Committee, appointed annually by members of the Board, shall consist of a minimum of three members of the Board, the majority of whom will be independent.
- The Board will elect, by a majority vote, one Committee member to serve as Chairman of the Committee (the "Chairman") for a one-year term.
- Committee members may serve on the Committee for consecutive terms.
- A member may resign from the Committee. Vacancies shall be filled by appointment from among the independent members of the Board.

3. MEETINGS

- The Committee shall meet as often as may be considered necessary or appropriate, in its judgment, and will report regularly to the full Board with respect to its activities.
- The Committee may meet either in person, by teleconferencing, or by videoconferencing, at such times and place as determined by the Chairman.
- A majority of the members of the Committee, present in person, by teleconferencing, or by videoconferencing will constitute a quorum.
- Meetings will be generally conducted without the presence of members of management.
- The CEO may not be present for any portion of any meeting at which the compensation of the CEO is being deliberated or voted upon.

- Minutes of the Committee meetings will be kept, filed in the Company's minute book and distributed to each member of the Committee and the Board.

4. RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board:

A. Compensation of CEO, Other Executive Officers and Key Employees

- On an annual basis, or more frequently, if deemed necessary by the Committee or requested by the Board, review and recommend corporate goals and objectives concerning CEO and other executive officers' compensation;
- Evaluate the CEO's, other executive officers' and key employees' performance against these corporate goals and objectives;
- Determine and recommend the CEO's, other executive officers' and key employees' compensation and benefits plans based on this evaluation;
- Review and recommend to the Board the overall compensation of each newly elected executive officer and key employee, including all employment related and severance agreements; and
- Evaluate on a periodic basis the competitiveness of the remuneration packages for Management.

B. Board of Directors Compensation

- Review annually, or more frequently if deemed necessary by the Committee or requested by the Board, and recommend to the Board for its approval, the compensation paid to directors who serve on the Board or its committees, including any retainer, chair fees, and equity compensation, in accordance with regulatory limitations. These recommendations should take into account national and industry-wide compensation practices and trends for comparable companies.

C. Company Compensation

- Oversee and evaluate the Company's general compensation structure and policies to attract, award, develop and retain Management and other employees;
- Review and approve annually the compensation adjustments for non-Management employees; and
- Evaluate on a periodic basis the competitiveness of the compensation plan to non-Management employees.

D. Administration of Plans

- Review and administer the Company's stock option plan and other equity-based and incentive compensation plans (the "Plans") and make recommendations to the Board as appropriate;
- Evaluate on a periodic basis the competitiveness of the Plans established and make recommendations for improvement as appropriate;

- Evaluate the use of the Plans, from time to time, as a form of incentive compensation for external consultants, subject to applicable laws and regulations; and
- Monitor the compliance of these plans with applicable laws and regulations.

E. Public Disclosure of Executive Compensation

- Review all disclosure of executive compensation, including compensation philosophy, prior to public release; and
- Prepare any executive compensation report required by regulatory requirements for inclusion in the Company's annual report, proxy statement, information circular or other regulatory filings.

F. Committee Assessment

- Evaluate as required the performance of the Committee in light of the roles and responsibilities outlined in this Charter.

G. Charter Evaluation

- Review, discuss and assess annually this Charter and recommend changes to the Board for approval.

H. Experts and Advisors

- The Committee may retain or appoint, at the Company's expense, internal or external legal, accounting or other advisors and consultants to assist it in carrying out its duties. The Committee shall have the authority to terminate such arrangements as appropriate.

I. General Authority

- The Committee may form and delegate authority to subcommittees as appropriate; and
- The Committee shall also have such other powers and duties as are delegated to it by the Board.

Schedule "C"

- Amended Articles for Class B Preferred Shares attached hereto-

CHRISTINA LAKE CANNABIS CORP.

TERMS OF CLASS B PREFERRED SHARES

1. Designation and Number of Shares. There shall hereby be created and established a series of preferred shares of Christina Lake Cannabis Corp. (the “**Company**”) designated as “Class B Preferred Shares” (the “**Class B Preferred Shares**”). The authorized number of Class B Preferred Shares shall be unlimited. Capitalized terms not defined herein shall have the meaning as set forth in Section 17(a) below. No dividends shall accrue or be payable with respect to the Class B Preferred Shares except as set forth in Section 3 below.
2. Ranking. Except with respect to any future series of preferred shares of *pari passu* rank to the Class B Preferred Shares in respect of the preferences as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company (collectively, the “**Parity Shares**”), all shares of capital stock of the Company shall be junior in rank to all Class B Preferred Shares with respect to the preferences as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company provided same are issued in accordance with the terms hereof (collectively, the “**Junior Shares**”). The rights of all such shares of the Company shall be subject to the rights, powers, preferences and privileges of the Class B Preferred Shares set forth herein. For the avoidance of doubt, in no circumstance will a Class B Preferred Share have any rights subordinate or otherwise inferior to the rights of shares of Parity Shares or Common Shares (as defined below).
3. Participation.
 - (a) Dividend. From and after the issuance date of any Class B Preferred Share (the “**Date of Issuance**”), and until the 4 year anniversary of the Date of Issuance (the “**4 Year Anniversary Date**”), cumulative dividends on such Class B Preferred Share shall accrue and become payable in arrears on a monthly basis equal to the sum of the Preferred Share Capital and the Preferred Share Dividend, subject to the timing of payment provisions of this Section 3, as follows:
 - (i) *Repayment of Preferred Share Capital.* The Company shall accrue an amount equal to 40% of Gross Product Revenue, on a monthly basis, for that amount of cumulative Gross Product Revenue up to an aggregate of \$5,000,000, payable as a capital repayment of the Preferred Share Capital. Following the payment of an amount equal to the Preferred Share Capital, the Preferred Share Dividend shall accrue in full and payable monthly in accordance with Section 3(a)(ii) below.
 - (ii) *Preferred Share Dividend.* Immediately following the repayment of the Preferred Share Capital pursuant to Section 3(a)(i) herein, the Company shall accrue, on a monthly basis, an amount equal to the sum of: (A) \$80 per kilogram of dry cannabis produced by the Company and processed using the Equipment (the “**Company Usage**”); and (B) an amount equal to 35% of Gross Product Revenue derived from Third Party Feedstock and processed using the Equipment (the “**Third Party Usage**”).
 - (b) Postponement. The payment of all accrued and accumulated dividends pursuant to Section 3(a) shall be postponed for that portion of Gross Product Revenue attributable to uncollected revenue (the “**Revenue Receivable**”) from the sale of the Products. The balance of the postponed accrued and accumulated dividend shall become payable in the month where the Revenue Receivable is received by the Corporation.

- (c) Payment Date. The Board of Directors shall declare all accrued dividends on any Class B Preferred Share every month from the Date of Issuance (each such date, a “**Dividend Payment Date**”), provided that the Board of Directors of the Company does not have reasonable grounds for believing that (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due, or (b) the realizable value of the Company’s assets would thereby be less than the aggregate of its liabilities and stated capital of all classes (the “**Statutory Restrictions**”). Except for redemptions under Section 19 which include payment for accrued dividends where such redemption amount is payable in a form other than cash, all accrued dividends on any Class B Preferred Share shall be paid in cash, out of funds legally available therefor and at all times subject to the Company remaining in compliance with the covenants agreed to with any senior lender after such payment or upon a liquidation of the Class B Preferred Shares in accordance with the provisions of Section 8; provided that, all accrued dividends on any Preferred Share shall accumulate and compound on every Dividend Payment Date whether or not declared by the Board of Directors and shall remain accumulated, compounding dividends until paid pursuant hereto. Notwithstanding the foregoing and anything to the contrary herein save and except for the Statutory Restrictions, all accrued and accumulated dividends on the Class B Preferred Shares shall (i) be prior and in preference to any dividend on any Junior Shares, (ii) be fully declared and paid before any dividends are declared and paid, or any other distributions or redemptions are made, on any Junior Shares, and (iii) be fully declared and paid on or before the date that is not later than fifteen (15) days prior to the 4 Year Anniversary Date.
- (d) Distribution. Except as otherwise provided herein, if at any time the Company pays less than the total amount of dividends then accrued and accumulated with respect to the Class B Preferred Shares, such payment shall be distributed pro rata among the holders thereof based upon the aggregate accrued and accumulated but unpaid dividends on the Class B Preferred Shares held by each such holder.

4. Reports, Record Retention and Audit.

- (a) Reports. With respect to the Gross Product Revenue, the Company shall deliver to holders of the Class B Preferred Shares, upon request, financial reports on a calendar quarterly basis following the Date of Issuance within sixty (60) days following the end of the applicable fiscal quarter.
- (b) Record Retention. The Company will maintain complete and accurate books, records and accounts that fairly reflect production of the Product and corresponding Gross Product Revenue, Company Usage, and Third Party Usage calculations, in sufficient detail to confirm the accuracy of any payments required hereunder.
- (c) Audit. Holder of the Class B Preferred Shares will have the right, at its own cost, to have an independent certified public accounting firm of nationally recognized standing and who agrees to be bound by a customary undertaking of confidentiality, have access during normal business hours, and upon reasonable prior written notice, to the Company’s records as may be reasonably necessary to verify the Company’s compliance with the financial terms of the Class B Preferred Shares. If such audit reveals an underpayment or more than 5.0% then the Company shall pay the cost of the audit and distribute the amount of the underpayment within ten (10) days.

5. Rights Upon Fundamental Transactions. The Company shall not enter into or be party to a Fundamental Transaction unless the Successor Entity assumes in writing all of the obligations of the Company under these terms in accordance with the provisions of this Section 5 pursuant to written agreements in form and substance satisfactory to the Required Holders and approved by the Required Holders prior to such Fundamental Transaction, including agreements to deliver to each holder of Class B Preferred Shares in exchange for such Class B Preferred Shares a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to these terms and having similar ranking to the Class B Preferred Shares, and reasonably satisfactory to the Required Holders. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of these terms and the other Transaction Documents referring to the “Company” shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under these terms and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein and therein. In addition to the foregoing, upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to each Holder confirmation that there shall be issued upon conversion of the Class B Preferred Shares at any time after the consummation of such Fundamental Transaction, in lieu of the Common Shares (or other securities, cash, assets or other property) issuable upon the conversion of the Class B Preferred Shares prior to such Fundamental Transaction, such shares of a publicly traded common shares (or their equivalent) of the Successor Entity (including its Parent Entity) that each Holder would have been entitled to receive upon the happening of such Fundamental Transaction had all the Class B Preferred Shares held by each Holder been converted immediately prior to such Fundamental Transaction, as adjusted in accordance with the provisions herein. The provisions of this Section 5 shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations on the conversion of the Class B Preferred Shares.
6. Voting Rights. Holders of Class B Preferred Shares shall have no voting rights, except as required by law and as expressly provided in these terms. To the extent that holders of the Class B Preferred Shares are entitled to vote on a matter with holders of Common Shares, voting together as one class, each Class B Preferred Share shall entitle the holder thereof to cast one vote per share. Holders of the Class B Preferred Shares shall be entitled to written notice of all shareholder meetings or written consents (and copies of proxy materials and other information sent to shareholders) with respect to which they would be entitled to vote, which notice would be provided pursuant to the Company’s bylaws and applicable law.
7. Security. The Company grants, mortgages, pledges, hypothecates, charges, transfers, assigns and creates to and in favour of the holders of the Class B Preferred Shares a general and continuing security interest (the “**Security Interest**”) in the Equipment including all increases, additions and accessions and all replacements and substitutions thereof. The Security Interest shall continue in full force and effect until the earlier of the repayment of the Preferred Share Capital pursuant to Section 3(a), payment of the Redemption Price in full pursuant to Section 19, and the 4 Year Anniversary Date. The Security Interest created hereby shall rank as a first priority security interest. In the event that the Preferred Share Capital has been repaid prior to the 4 Year Anniversary Date, the Company shall, at its sole election, purchase the Equipment in consideration for the lower of: (i) \$100,000 and (ii) the fair market value as determined by an arm’s length valuator.
8. Liquidation, Dissolution, Winding-Up. Without limitation to the enforcement of the Security Interest provided under Section 7, in the event of a Liquidation Event, the Holders shall be otherwise entitled to receive in cash out of the assets of the Company, whether from capital or from earnings available for distribution to its shareholders (the “**Liquidation Funds**”), before any

amount shall be paid to the holders of any Junior Shares, an amount per Class B Preferred Share equal to the amount per share such Holder would receive if such Holder converted such Class B Preferred Shares into Common Shares immediately prior to the date of such payment, provided that if the Liquidation Funds are insufficient to pay the full amount due to the Holders and holders of Parity Shares, then each Holder and each holder of Parity Shares shall receive a percentage of the Liquidation Funds equal to the full amount of Liquidation Funds payable to such Holder and such holder of Parity Shares as a liquidation preference, in accordance with their respective terms, as a percentage of the full amount of Liquidation Funds payable to all holders of Class B Preferred Shares and all holders of Parity Shares. To the extent necessary, the Company shall cause such actions to be taken by each of its Subsidiaries so as to enable, to the maximum extent permitted by law, the proceeds of a Liquidation Event to be distributed to the Holders in accordance with this Section 7. All the preferential amounts to be paid to the Holders under this Section 7 shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any Liquidation Funds of the Company to the holders of shares of Junior Shares in connection with a Liquidation Event as to which this Section 7 applies.

9. Vote to Change the Terms of or Issue Class B Preferred Shares. In addition to any other rights provided by law, except where the vote or written consent of the holders of a greater number of shares is required by law or by another provision of the constating documents of the Company, without first obtaining the affirmative vote at a meeting duly called for such purpose or the written consent without a meeting of the Required Holders, voting together as a single class, the Company shall not: (a) amend or repeal any provision of, or add any provision to, the constating documents of the Company, or file any certificate of amendment, if such action would adversely alter or change in any respect the preferences, rights, privileges or powers, or restrictions provided for the benefit, of the Class B Preferred Shares, regardless of whether any such action shall be by means of amendment to the constating documents of the Company or by merger, consolidation or otherwise.
10. Restrictions on Transfer. In addition to any restrictions imposed by applicable law, the transfer of Class B Preferred Shares shall be restricted in that no holder shall be entitled to transfer any such share or shares without: (i) the approval of the directors of the Company expressed by a resolution passed at a meeting of the board of directors or by a written resolution signed by all of the directors of the Company and (ii) if applicable, approval of the exchange on which any of the Company's securities are listed and which exercises regulatory oversight over the Company.
11. Lost or Stolen Certificates. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any certificates representing Class B Preferred Shares (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of an indemnification undertaking by the applicable Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of the certificate(s), the Company shall execute and deliver new certificate(s) of like tenor and date.
12. Remedies, Other Obligations, Breaches and Injunctive Relief. The remedies provided in these terms shall be cumulative and in addition to all other remedies available under these terms, at law or in equity (including a decree of specific performance and/or other injunctive relief), and no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy. Nothing herein shall limit any Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms hereof. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by a Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges

that a breach by it of its obligations hereunder may cause irreparable harm to the Holders and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, each Holder shall be entitled, in addition to all other available remedies, to seek an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required, to the extent permitted by applicable law. The Company shall provide all information and documentation to a Holder that is reasonably requested by such Holder to enable such Holder to confirm the Company's compliance with the terms and conditions of these terms.

13. Non-circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its constituting documents or through any reorganization, transfer of assets, consolidation, merger, plan of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms hereof, and will at all times in good faith carry out all the provisions these terms and take all action as may be reasonably required to protect the rights of the Holders.
14. Failure or Indulgence Not Waiver. No failure or delay on the part of a holder of the Class B Preferred Shares in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.
15. Notices. The Company shall provide each holder of the Class B Preferred Shares with prompt written notice of all actions taken pursuant to the terms hereof, including in reasonable detail a description of such action and the reason therefor. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, electronic mail, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, or electronic mail at the address or number designated below (if delivered on a Business Day during normal business hours where such notice is to be received), or the first Business Day following such delivery (if delivered other than on a Business Day during normal business hours where such notice is to be received) or (b) on the second Business Day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur.
16. Class B Preferred Shares Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the Holders), a register for the Class B Preferred Shares, in which the Company shall record the name, address, electronic mail and facsimile number of the Persons in whose name the Class B Preferred Shares have been issued, as well as the name and address of each transferee. The Company may treat the Person in whose name any Class B Preferred Shares is registered on the register as the owner and

holder thereof for all purposes, notwithstanding any notice to the contrary, but in all events recognizing any properly made transfers.

17. Shareholder Matters; Amendment.

- (a) Shareholder Matters. Any shareholder action, approval or consent required, desired or otherwise sought by the Company pursuant to the applicable laws, the constating documents of the Company, the terms hereof or otherwise with respect to the issuance of Class B Preferred Shares may be effected by written consent of the Company's shareholders or at a duly called meeting of the Company's shareholders, all in accordance with applicable laws.
- (b) Amendment. The terms or any provision hereof may be amended by obtaining the affirmative vote at a meeting duly called for such purpose of the Required Holders, or written consent without a meeting of the Required Holders, voting separately as a single class, and with such other shareholder approval, if any, as may then be required by applicable laws and constating documents of the Company.

18. Certain Defined Terms. For purposes of these terms, the following terms shall have the following meanings:

- (a) **"Business Day"** means any day other than Saturday, Sunday or other day on which commercial banks in The City of Vancouver are authorized or required by law to remain closed.
- (b) **"Common Shares"** means the common shares in the capital of the Company, as constituted from time to time.
- (c) **"Equipment"** means all extraction and quality assurance equipment purchased using the proceeds of the sale of the Class B Preferred Shares, including, without limitation, all machinery, fixtures, plants, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto.
- (d) **"Fundamental Transaction"** means:
 - (i) the purchase or acquisition by any Person, or group of Persons acting jointly or in concert, of voting control or direction of an aggregate of 50% or more of the outstanding Common Shares, or securities convertible into or carrying the right to acquire Common Shares;
 - (ii) the completion by the Company of an amalgamation, arrangement, merger or other consolidation or combination of the Company with another corporation or entity which requires approval of the shareholders of the Company pursuant to its constating documents, such that Persons would beneficially own, or exercise control or direction over, voting securities of the Company carrying the right to cast more than 50% of the votes attaching to all voting securities, and immediately following such an event, the directors of the Company immediately prior to such event do not constitute a majority of the board of directors (or equivalent) of the successor or continuing corporation or entity immediately following such event;

- (iii) the election at a meeting of the Company's shareholders of that number of Persons which would represent a majority of the board of directors of the Company, as directors of the Company who are not included in the slate for election as directors proposed to the Company's shareholders by the Company;
 - (iv) the sale, lease or exchange of all or substantially all of the property of the Company other than in the ordinary course of business;
 - (v) such other transaction or series of transactions having substantially the same effect as any of the foregoing; or
 - (vi) such other transaction or series of transactions determined by the directors of the Company in their sole discretion to contemplate a Fundamental Transaction;
- (e) **"Gross Product Revenue"** means total revenue received by the Company from the sale of the Products less the cost of the Third Party Feedstock.
 - (f) **"Liquidation Event"** means, whether in a single transaction or series of transactions, the voluntary or involuntary liquidation, dissolution or winding up of the Company or such Subsidiaries the assets of which constitute all or substantially all of the assets of the business of the Company and its Subsidiaries, taken as a whole.
 - (g) **"Parent Entity"** of a Person means an entity that, directly or indirectly, controls the applicable Person or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.
 - (h) **"Person"** means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.
 - (i) **"Preferred Share Dividend"** means the sum of the Company Usage and Third Party Usage.
 - (j) **"Preferred Share Capital"** is defined as an amount equal to \$2,000,000.
 - (k) **"Product"** means cannabis oil, hemp oil and other such hemp and cannabis derivative extracts produced by the Company using the Equipment.
 - (l) **"Required Holders"** means: the holders of at least 66^{2/3}% of the outstanding Class B Preferred Shares by written consent or at a duly called meeting of the holders of Class B Preferred Shares.
 - (m) **"Securities"** means, collectively, the Class B Preferred Shares and the Common Shares.
 - (n) **"Subsidiary"** means any Person in which the Company, directly or indirectly, (i) owns a majority of the outstanding capital shares or holds a majority of equity or similar interest of such Person or (ii) controls or operates all or any part of the business, operations or administration of such Person.

- (o) “**Successor Entity**” means the Person (or, if so elected by the Required Holders, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Required Holders, the Parent Entity) with which such Fundamental Transaction shall have been entered into.
 - (p) “**Third Party Feedstock**” means dry cannabis or dry hemp sourced from parties other than the Company.
 - (q) “**Transaction Documents**” means these terms and each of the other agreements and instruments entered into or delivered by the Company or any of the Holders in connection with the transactions contemplated thereby, all as may be amended from time to time in accordance with the terms hereof or thereof.
19. Redemption. The Company may, by resolution of the directors, and upon giving notice as hereinafter provided, from time to time:
- (a) redeem the whole or any part of the Class B Preferred Shares on payment for each share to be redeemed of the Redemption Price thereof together with all dividends declared thereon but unpaid; or
 - (b) offer to purchase the whole or any part of the Class B Preferred Shares provided that the amount paid in respect thereof shall not be less than the Redemption Price per share together with any dividends declared thereon but unpaid;

In case a part only of the then outstanding Class B Preferred Shares is at any time to be redeemed or purchased by the Company, the redemption or purchase shall be pro rata among the outstanding Class B Preferred Shares, disregarding fractions. Not less than 3 days' notice in writing (subject to Section 15) of such redemption or purchase shall be given by either mail or email (to the email address of the register holder, as found in the corporate records of the Company) to the registered holder of the shares to be redeemed or purchased, a notice specifying the date and place of redemption or purchase which may be a law firm. If notice of any such redemption or purchase be given by the Company in the manner aforesaid and an amount of consideration sufficient to redeem or purchase the shares to be redeemed or purchased is held with the law firm specified in the notice on or before the date fixed for redemption or purchase, dividends on the Class B Preferred Shares to be redeemed or purchased shall cease to accrue after the date so fixed for redemption or purchase and the holders thereof shall thereafter have no rights against the Company in respect thereof except upon surrender of certificates for such shares to receive payment thereof out of the monies and/or other consideration for the Class B Preferred Shares so deposited.

The "**Redemption Price**" of each Class B Preferred Share means the fair market value, at the date of the notice of redemption, as calculated below, of the Preferred Shares (and the amount of dividends declared but unpaid, if applicable), divided by the total number of outstanding Preferred Shares of the Company. The Redemption Price (including payment for accrued dividends, if any) may be paid by the Company in consideration in the form of cash, securities and/or in-kind payments, as determined in the sole discretion of the directors of the Company.

The fair market value of the Preferred Shares shall be determined by the directors of the Company not more than 5 business days prior to the date of the notice of redemption.

